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MATTERS RELATING TO THE PROGRAMMING CYCLES

Implementation of the successor programming arrangements

Report of the Administrator

CONTENTS

		Paragraphs	Page
I.	PURPOSE	1 - 3	2
II.	SUMMARY OF THE GUIDELINES FOR THE IMPLEMENTATION OF THE SUCCESSOR PROGRAMMING ARRANGEMENTS IN UNDP	4 - 33	3
	A. Introduction	7 - 8	3
	B. Country-level programming - the country cooperation framework	9 - 15	4
	C. Resource assignment	16 - 25	5
	D. Programme review, monitoring and oversight	26 - 29	7
	E. Start-up and phasing-in procedures	30 - 33	7
III.	POSSIBILITIES FOR STREAMLINING THE CCF WORKLOAD OF THE EXECUTIVE BOARD	34 - 39	8
IV.	EXECUTIVE BOARD ACTION	40 - 41	9
	Annex		
	Criteria for assignment of TRAC resources		11

I. PURPOSE

1. At its annual session 1995, the Executive Board adopted its landmark decision 95/23 on the successor programming arrangements for the United Nations Development Programme (UNDP). The present report informs the Executive Board about the implementation of the successor programming arrangements, with specific reference to the development of guidelines that translate the provisions of decision 95/23 into a set of operational procedures and processes. An initial set of guidelines has been prepared covering country-level programming, resource assignment and programme review for the first two lines of the target for resource assignment from the core (TRAC). These guidelines also include start-up and phasing-in procedures that permit immediate, limited programming of TRAC resources, in line with Board directives, pending the finalization of a new country cooperation framework (CCF) for each programme country. Such measures ensure that programme countries can derive maximum benefit from the new arrangements as soon as possible.

2. The guidelines described above are currently being finalized for translation and circulation to country offices. A summary of these guidelines is provided below; the full text will be distributed to the Executive Board as soon as it is available. Additional guidelines are being produced for other facilities under the successor arrangements and should be available for the second regular session of the Board in March 1996. The full set of guidelines will be issued officially following receipt of initial feedback from country offices, and taking into account any guidance the Board may wish to provide in this regard.

3. The report also responds to paragraph 12 of decision 95/23, in which the Executive Board specifies that "new country cooperation frameworks (country programmes) be developed by recipient governments in consultation with UNDP and that they be submitted to the Board for endorsement" and that the Board "consider further, at its first regular session 1996, the involvement of the Board in programming processes and procedures". The final selection of the present report outlines the overall process for country-level programming under the successor arrangements and highlights, for further consideration, the involvement of the Board in these processes. The Board may also wish to consider some possibilities, also included in the report, for streamlining the workload associated with the review of country cooperation frameworks, especially during the introductory period of the successor programming arrangements.

II. SUMMARY OF THE GUIDELINES FOR THE IMPLEMENTATION OF THE SUCCESSOR PROGRAMMING ARRANGEMENTS IN UNDP

4. It is foreseen that the full set of guidelines will comprise three parts. The introduction and part A cover country-level programming, resource assignment and programme review (including start-up procedures); they are summarized below.

5. Other sections of the implementation guidelines are currently under preparation and are expected to be available for the second regular session 1996. These are: part B, covering other country-level lines (i.e., resources available under line 1.1.3 for development in countries facing special circumstances and line 3.1 for programme support for resident coordinator functions); part C, covering other core resource facilities (e.g., regional, interregional and global programming, technical support services) as well as annexes on specific topics.

6. The summary below is divided into the following sections: (a) introduction; (b) country-level programming - country cooperation framework; (c) resource assignment; (d) programme review and monitoring; and (e) start-up and phasing-in procedures. The key procedures for each of these stages are briefly summarized and the role of the Executive Board noted in the overall process.

A. Introduction

7. The introduction provides a very brief overview of the contents of the series of documents submitted to the Executive Board in the year leading up to the decision on the successor programming arrangements. The section describes the origins of the prior programming cycle concept based on a fixed five-year cycle with preallocated indicative planning figures (IPFs). The key changes in the environment for development cooperation are noted, in particular the various programming mandates established for UNDP in recent years, including the programme approach, national execution, and enhanced resident coordinator functions. Executive Board decisions on initiatives for change (94/14) and on the future of UNDP (95/22) are given special attention, noting the three major goals and four focus areas for UNDP and the confirmation of poverty elimination as the overriding priority for UNDP programmes.

8. The introduction highlights the main features of the new successor programming arrangements, noting that the Executive Board has replaced an entitlement-based system with a merit, performance and incentive-based one that provides greater impetus for sharply focused, high-impact programmes supporting national efforts towards sustainable human development (SHD), with an emphasis on poverty elimination. Some of the more striking features of the successor arrangements as set out in decision 95/23 are also summarized.

B. Country-level programming - the country cooperation framework

9. The CCF is the prime instrument for programming UNDP resources at the country level under the successor arrangements. The CCF is developed by Governments in consultation with UNDP and sets out, for Executive Board review, the intended nature, focus and financial scope of UNDP cooperation in the country. Once the Board endorses the CCF, it becomes the framework that guides the programming of all UNDP-managed resources in the country for the period specified. Reviewing the CCF at an early stage in the overall programming process enables the Board to comment upon the broad, strategic directions for cooperation and have these views taken into consideration before actual programme formulation begins.

10. The CCF covers a medium period (three to five years) that is harmonized to the extent possible with national planning horizons and the time frames of other United Nations system activities. It should be a brief, strategic document ranging from six pages in length to a maximum of ten pages for the very largest programmes.

11. The development of the CCF is based on: (a) a thorough analysis of national development priorities from an SHD perspective, especially poverty elimination; and (b) an overview of the broader context of external cooperation in the country, including the factors affecting the impact of current UNDP support. For this analysis, full use is made of other recent policy instruments. Prime among these is the country strategy note (where one exists), which takes into account national priorities and plans and is designed to ensure effective integration of United Nations system development cooperation. Use can also be made of other policy vehicles such as national human development reports, poverty and sectoral analyses, and preparations related to the round-table and Consultative Group mechanisms.

12. In preparation for the CCF, the UNDP country office drafts a preliminary programme note (PPN). This note is structured along the same lines as the CCF and draws on the policy instruments mentioned above and the programme approach. UNDP headquarters reviews the note in order to bring to bear a cross-cutting range of organizational experience on the possible directions for UNDP cooperation in the country. The review is carried out by the Programme Monitoring and Oversight Committee (PMOC), chaired by the Administrator with high-level participation from relevant UNDP units. After this review, the PPN becomes the basis for discussions with the Government on the development of the CCF.

13. The heart of the CCF sets out the overall strategy proposed for UNDP cooperation, taking into account the analysis of country-specific circumstances and the mandates and comparative advantages of the organization. The CCF delineates the SHD programme areas for UNDP support (perhaps not more than four) and describes how these relate to the national programme context, outlining national commitment to the success of the programme, the possibilities for joint programming with other development partners, the results or impact expected, and the likelihood of sustainability once support ceases. The CCF also outlines management arrangements for execution and implementation, monitoring and review, as well as a resource mobilization strategy and target for all UNDP-managed resources.

14. Once the Government has prepared the CCF in consultation with the UNDP country office, the document is reviewed at UNDP headquarters before being submitted to the Executive Board. The Government will, if it so wishes, have an opportunity to present the CCF to the Board. The Administrator will also highlight those CCFs for which the guidance of the Board is specifically requested. This action opens possibilities for streamlining the workload of the Executive Board with respect to the review and endorsement of CCFs. Further details are provided in section III.

15. Following the review of a CCF, it is expected that the Executive Board will take one of three actions: (a) endorse the CCF as submitted; (b) endorse the CCF with a request to consider specific comments made by the Board; and (c) not endorse the CCF, with a request for specific modifications.

C. Resource assignment

16. The endorsement of the CCF by the Executive Board establishes the basis upon which the Administrator exercises the authority to assign TRAC resources for programme formulation and implementation. Flexibility is intended to encourage countries to develop quality programmes in line with UNDP mandates and national development priorities. Thus, as specified by the Board in decision 95/23, in assigning resources for programme formulation, the two TRAC lines are not to be seen as separate financial facilities but rather as a common resource pool, subject to the same criteria.

Initial assignment

17. Following the full endorsement of the CCF by the Executive Board, the Administrator assigns UNDP core resources on the basis of an initial request prepared by the country office, with the full engagement of the Government. This request is based on the CCF and includes, where available, brief programme outlines elaborating the programme areas identified. The review of this request will be guided by the criteria shown in the annex to the present report.

18. Based on this review, the Director of the regional bureau concerned recommends to the Administrator the initial level of resources to be assigned to the country. In percentage terms, this assignment would be established at a minimum of the base TRAC level of 60 per cent. Where a country is in a position to submit programme outlines in line with the CCF, resource assignments at higher percentage levels will also be made.

19. The review also determines what substantive assistance may be needed for countries that initially lack capacity for programme development and management and recommends specific support and action. In assigning resources the Administrator must also take into account the financial integrity of the programme and the directives on the shares to flow to the different regions and to least developed and low-income countries.

Subsequent assignment

20. Initial resource assignments may be revised at subsequent stages. For this purpose, programme reviews are undertaken at periodic intervals following the approval of CCFs. Such reviews will be conducted in clusters to facilitate the work of the regional bureaux and other units involved and to account for the varying levels of programme build-up in countries following the initial resource assignment. Thus, the reviews will be scheduled typically one year after the initial assignments, with some reviews taking place approximately three months earlier and others three months later.

21. These reviews will be carried out from three perspectives: (a) a prospective review of the merit of future programme outlines as measured against the established criteria; (b) a retrospective review of the performance of programme activities financed from the initial resource assignments (with programme documents elaborated since the initial assignment of resources providing additional input); and (c) other factors considered relevant to the strategic role of UNDP in the country, as well the overall financial integrity and resource share considerations mentioned in paragraph 19 above.

22. The Director of the regional bureau concerned may recommend to the Administrator a revised or final level of TRAC resources to be assigned to the country. Such assignment, in percentage terms, could extend from the base TRAC level of 60 per cent to the enhanced level of 120 per cent, and will apply to the period of the CCF, unless otherwise requested. The Administrator will take the final decision on the TRAC assignments to countries, utilizing the advice of the regional bureaux and the PMOC review.

Delegation of approval authority

23. Once TRAC resources are assigned, the country office can proceed to formulate the full programmes and projects. The bureau delegates the authority to approve projects to individual country offices, taking into account the criteria being established for such decentralization, the capacity of each office, the complexity of the overall programme, and the nature of the specific programme or project. Thus, when recommending a level of resource assignment, the regional bureau may choose to identify whether any programme or project must be reviewed at headquarters prior to full approval. As outlined briefly in section C below, this delegation of authority is coupled with a system for programme review and monitoring, which ensures quality control accountability.

Release of resources

24. Resources at the assigned percentage level are formally released to cover a period of three years and permit the country to enter into programming commitments. The approval of project budgets must be kept within the resources formally released to a country.

25. Under the rolling, three-year planning scheme, the financial period is rolled forward at year end, with a new year added and the previous year dropped. Resources projected to be available for the new year are added to the global resource planning framework and additional resources are released to individual countries, ensuring that forward programming at all times encompasses a three-year resource period.

D. Programme review, monitoring and oversight

26. A revised system for programme monitoring, review and oversight is being established at the corporate, regional bureau and country-office levels to ensure that the Administrator can fulfil his responsibilities for the quality of UNDP operations and the achievement of specific policy and programme objectives.

27. The system emphasizes the capacity of UNDP country offices to meet these expectations, with headquarters providing corporate perspective and oversight. It operates at three levels: the corporate level (through the new, high-level Programme Management Oversight Committee (PMOC)); the regional bureau level (through the enhanced Bureau Programme Appraisal Committee (BPAC)); and at the country level (through the Local Programme Appraisal Committee (LPAC)).

28. It should be noted that this system will also serve to generate periodic reports to the Executive Board on the implementation of the CCFs and the UNDP programming achievements in key substantive and thematic areas.

29. With respect to the assignment of TRAC resources, the annual report of the Administrator to the Executive Board will summarize the assignments made, by country, by region, and for the least-developed and low-income country categories. The report will also highlight issues that may arise during the resource assignment process. In addition, based on the periodic biennial review of the operational activities of every country office, and on the formal mid-term review of the CCF, the Administrator will submit to the Board thematic and substantive reports on the key programming dimensions reflected in the successor programming arrangements. Where appropriate, specific regional concerns can also be addressed.

E. Start-up and phasing-in procedures

30. The foregoing sections describe how programming procedures and processes are expected to function once the successor programming arrangements are fully implemented with the endorsement of a new CCF for each programme country. However, in calling for a review of the experience with the arrangements during the introductory period (paragraph 29 of decision 95/23), the Executive Board also recognized the need to generate early build-up of programmes in line with UNDP mandates while the CCFs are being formulated in order to obtain the maximum, immediate benefit from the new programming arrangements. Thus, in addition to the procedures outlined above, the Administrator is also instituting what can be termed start-up and phasing-in procedures that will bring the successor programming arrangements immediately on stream.

31. Start-up procedures will apply to country programming and resource assignment until the end of 1997, when CCFs for most countries should be completed. The start-up procedures are based on the same principles as the regular guidelines and are designed to permit a switchover once the CCF is endorsed.

32. The start-up procedures permit limited, advanced programming for activities that are clearly consistent with the mandates and thematic focus areas established by the Executive Board. In this context, advanced programming is defined as programme formulation, approvals and implementation that takes place prior to the preparation and endorsement of a new CCF. The country office makes a request, in full consultation with the Government, indicating the expiry of the current country programme, the likely submission date for the new CCF, the updated financial status of the existing country programme and information on the new programming that would be undertaken in line with the objectives established by the Board. Where the country programme expires in 1996 (the majority of cases) and the CCF cannot be scheduled for Board review before the end of 1997, the country office must consult with the Government to request a formal extension of the existing programme, which would then continue to function as the legal instrument for advanced programming.

33. The regional bureau reviews the request in line with the standard criteria and recommends to the Administrator the level of TRAC resources to be released for immediate programming. This should be limited to the minimum level required pending the preparation and endorsement of the CCF. Once resources are assigned for advanced programming, the resident representative can develop, appraise and approve programmes and projects in line with the authority delegated by the regional bureau. As CCFs are developed and endorsed by the Executive Board during 1996 and 1997, subsequent reviews of requests for resource assignment will consider not only the programme outlines that stem from the CCF but also the experience with advanced programming in each country.

III. POSSIBILITIES FOR STREAMLINING THE CCF WORKLOAD OF THE EXECUTIVE BOARD

34. The majority of existing country programmes expire in 1996. This means that about 130 new CCFs could be submitted to the Executive Board at its regular sessions in 1996 and early 1997. Given the lead time required for the preparation of a CCF (eight to ten months), the bulk of the reviews would be pushed towards the latter part of the period. While it possible to insist that country offices complete their CCFs within the next year, logistical demands alone would prevent the Board from conducting much more than a cursory review of such documents.

35. Thus, it is fully recognized that the review of CCFs by the Executive Board could become problematic unless steps are taken to streamline review procedures and establish a strict submission schedule over the next two years. To this end, the following paragraphs put forth, for further consideration, some suggestions for rationalizing and streamlining the workload of the Board in this regard.

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36. First, it should be recognized that the start-up procedures themselves help to reduce the logistical problems by extending the schedule for submitting the expected large volume of CCFs to the first regular session 1998. If this were not the case, the majority of CCFs would fall due by the end of 1996. The extension enables the Executive Board to exercise its legitimate role more effectively in the review of CCFs. Furthermore, allowing limited advanced programming to take place while CCFs are being developed, will help to generate a critical mass of early experience with the new arrangements that the Board can take into account in their subsequent review of CCFs.

37. With respect to scheduling CCF reviews by the Executive Board, the table below indicates the likely number of CCFs to be reviewed during the regular sessions of the Board in 1996, 1997, and early 1998, recognizing that the annual session of the Board would be dedicated solely to policy issues and not to consideration of CCFs. During 1997 and early 1998, a very heavy workload of 30 to 50 CCFs per regular session can be expected.

38. Given that the current Executive Board is a smaller entity than the previous Governing Council, it may be possible to carry out the review of CCFs in plenary. However, the Board may wish on occasion to convene working committees specifically to review CCFs. To assist the Board in this respect, efforts will be made to streamline the work and time taken up by the reviews.

39. For instance, as mentioned earlier, the Administrator will highlight a representative selection of CCFs taking into account complexity, geographic region, innovative features, etc., including those for which specific guidance is sought. Although any CCF may be discussed, this action would permit the Executive Board, if it wishes, to focus its attention on the CCFs highlighted. The Board may also wish to consider whether the presentation of the CCF to the Executive Board by the Government (and/or UNDP) should be optional; this would allow the Board to focus the presentations and its discussion only on highlighted CCFs. Similarly, to shorten the time spent in the discussion of acceptable CCFs, the Board could choose to endorse (by acclamation) an entire list of CCFs for which no major issues have been raised.

IV. EXECUTIVE BOARD ACTION

40. The Executive Board may wish to:

Take note of the present report and, in particular, the guidelines summarized therein.

41. The Executive Board is requested to consider the possibilities for rationalizing the workload associated with the review of CCFs and to provide guidance to the secretariat on the schedule for submissions and procedures that should be established for this purpose.

LIKELY NUMBER OF COUNTRY COOPERATION FRAMEWORKS TO BE SUBMITTED TO FUTURE REGULAR SESSIONS OF THE UNDP EXECUTIVE BOARD

Regular session		Expected numbers of CCFs a/
1996	First (January)	1
1996	Second (March)	5
1996	Third (September)	10
1997	First (January)	30
1997	Second (March)	35
1997	Third (September)	50
1998	First (January)	40

a/ These are tentative figures based on expiry dates of current country programmes and expected availability of new CCFs. This scheduling is subject to confirmation in consultation with the country offices/Governments concerned.

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Annex

CRITERIA FOR ASSIGNMENT OF TRAC RESOURCES

1. By its decision 95/23, the Executive Board established a two-tier system of TRAC earmarkings to provide core resource support for programmes outlined in the country cooperation framework. The system provides a base level of resources for all eligible countries. It also gives the Administrator the flexibility to encourage individual countries to develop quality sustainable human development programming and thereby attract additional resources.

2. Resources are assigned in one or more stages. The initial assignment of resources follows the endorsement of the CCF by the Executive Board. Additional resource assignments can be made following the submission of more detailed programme outlines.

3. In general, the assignment of TRAC resources will conform to the following guiding principles:

(a) The process of resource assignment should be transparent;

(b) The process should ensure that countries with limited capacity for programme formulation benefit fully from TRAC resources by, inter alia, strengthening their capacities for programme design and implementation in order to enhance their access to TRAC resources;

(c) The overall distribution of resources among countries and regions should conform to the general poverty orientation reflected in the allocation to low-income countries and least developed countries contained in paragraph 24 of Executive Board decision 95/23.

4. In assessing the quality of programmes for the assignment of resources, the following criteria will be applied:

(a) Contribution to national priorities: the extent to which the programmes contribute to the achievement of stated national priorities; the extent of national commitment as demonstrated by the allocation of national financial and human resources;

(b) Strengthening national capacity: the extent to which programmes serve to strengthen government capacities to manage or coordinate development; 1/ and address special needs and opportunities for capacity building that may emerge in some programme countries;

1/ In addition to strengthening national capacity for programme management, where relevant, this may involve preparation for key events such as round-table meetings, aspects of Consultative Group meetings, budget debates, the preparation of development plans and other forums for macro-planning.

(c) Thematic focus: the degree to which programme proposals are aimed at promoting high-leverage activities in the sustainable human development focus areas - namely poverty eradication, sustainable livelihoods, the advancement of women, environmental regeneration, and the cross-cutting theme of management development and governance. In line with Commitments 1 and 2 of the World Summit for Social Development and the Executive Board decision that poverty elimination be the overriding priority of UNDP programmes, particular recognition will be given to programmes stressing poverty elimination and the enabling environment required for that objective;

(d) Programme leverage: the extent to which the programme will impact measurably on sustainable human development and on the lives of the poor; is critical to the achievement of thematic objectives at the national or provincial level; will eliminate key bottlenecks to sustainable human development and thereby ease the way for other development assistance activities; and will serve as a model for possible replication elsewhere within the country;

(e) Resource mobilization: the extent to which programmes have the potential to attract and mobilize additional resources for national priorities.

5. The above criteria will be used for both the initial and subsequent resource assignment reviews, which will be carried out from three perspectives:

(a) A prospective review of programme outlines (including programme areas described in the country cooperation framework);

(b) A retrospective review of programmes developed or elaborated following the initial assignment of resources;

(c) Other factors considered relevant to the strategic support of UNDP to the country, including as stated above, directives on the minimum share of resources to flow to least developed and low-income countries.